



## OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich  
County Executive

Tiffany Ward  
Director and Chief Equity Officer

### MEMORANDUM

November 6, 2023

To: Jennifer Bryant, Director  
Office of Management and Budget

From: Tiffany Ward, Director  
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-14  
Implementation of the Rent Stabilization Bill

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that *Supplemental Appropriation #24-14 Implementation of the Rent Stabilization Bill* is likely to advance racial equity and social justice, though the full extent of its impact on housing inequities will depend on the availability of resources to sustain community engagement, the strength of proactive enforcement mechanisms, presence of complementary policies, and organizational readiness for change.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #24-14 is to allocate \$1,347,470 from the General Fund: Undesignated Reserves for the implementation of the Rent Stabilization Bill 15-23 as passed by the Montgomery County Council on July 18, 2023, and signed into law on July 24, 2023. According to available information, the allocation will enable the establishment of a new Rent Stabilization Office and the information technology infrastructure necessary to carry out the requirements of the Bill. The allocation will be used to fund:
  - Nine FTEs to carry out new requirements of the Bill;
  - The development of an online website related to all rent stabilization matters, including landlord petitions and tenant complaints, and a portal for landlords to report the mandated rent increase data.

ORESJ has conducted numerous analyses of CIP projects and Racial Equity Impact Assessments (REIAs) on supplemental appropriations that pertain to housing and related systemic inequities in the County. Most recently, ORESJ reviewed the allocation of additional funding to the County’s Emergency Rental Assistance Program, which found that the program is likely to advance racial equity and social justice based on how it utilizes targeting criteria to provide rental assistance to low-income communities and communities of color. That REIA lifted evidence similar to what the Office of Legislative Oversight (OLO) shared in its Racial Equity and Social Justice Impact Statement (RESJIS) on Bill 15-23. The RESJIS described the intersection of housing insecurity and racial equity and referenced the RESJIS for Bill 30-21<sup>1</sup>, which provided evidence of racially disparate housing security outcomes (including homelessness and cost-burden) in the County, the history of local racial segregation in housing and its current impacts, and the cumulative effect of structural racism on the racial wealth divide and housing.

In totality, OLOs anticipates that “Bill 15-23 will have a small positive impact on racial equity and social justice (RESJ) in the County”<sup>2</sup>. Because Supplemental Appropriation #24-14 funds the initial resources required to implement the Bill, OLO’s RESJIS finding is especially pertinent to considering the extent to which Supplemental Appropriation #24-14 is likely to advance racial equity and social justice.

Issues related to implementing the Bill will invariably affect how well it can create the rent stabilization and housing security it aims to achieve. ORESJ highlights four implementation factors that could impact the bill’s effectiveness on reducing racial disparities in housing securing and stability:

- Inadequate resources to sustain community engagement, marketing, and outreach efforts. An absence of these resources could create or exacerbate resistance among landlords (of multifamily properties) and create unnecessary barriers and administrative burdens for tenants to file complaints and seek immediate assistance or remediation.
- An enforcement mechanism that relies too heavily on tenant complaints instead of proactive administration and enforcement. This factor is described in RESJIS for Bill 15-23<sup>3</sup> and echoed by housing experts, “‘Many tenants are going to be hesitant to bring up concerns in their units for fear of eviction, particularly tenants who are undocumented or tenants of color,’ said the Urban Institute’s Christina Stacy. ‘So, we also need regulations that protect them.’ Proactive code enforcement, she said, is also preferable because it doesn’t require tenants to take any risks” (excerpt from Minneapolis Fed and Urban Land Institute Minnesota webinar summary on September 12, 2022)<sup>4</sup>.

---

<sup>1</sup> <https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2021/Bill30-21RESJ.pdf>

<sup>2</sup> <https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2023/Bill15-23.pdf>

<sup>3</sup> <https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2023/Bill15-23.pdf>

<sup>4</sup> <https://www.minneapolisfed.org/article/2022/an-overview-of-rent-stabilization-from-national-housing-experts>

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-14

Implementation of the Rent Stabilization Bill

November 6, 2023

Page 3 of 3

- Availability of complementary laws to mitigate unintended consequences. Right-to-counsel laws, more stringent eviction protections, and preserving naturally occurring affordable housing are complementary policies that support the benefits created by rent-stabilization regulations<sup>5</sup>. Preservation and expansion of these policies may help enable and leverage the office's impact.
- Organizational culture readiness for change. Establishing a new office is resource intensive and can test the strength of existing organizational infrastructure, such as human resources, procurement, and information technology functions. Under-resourcing and resultant weaknesses or inefficiencies in these areas can undermine the speed and efficacy of the new office's programmatic launch and any effect it attempts to have on racially disparate housing insecurity in the County.

cc: Scott Bruton, Director, Department of Housing and Community Affairs  
Ken Hartman, Director, Strategic Partnerships, Office of the County Executive

---

<sup>5</sup> <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-062822.html> and [https://www.urban.org/sites/default/files/publication/99646/rent\\_control.\\_what\\_does\\_the\\_research\\_tell\\_us\\_about\\_the\\_effectiveness\\_of\\_local\\_action\\_1.pdf](https://www.urban.org/sites/default/files/publication/99646/rent_control._what_does_the_research_tell_us_about_the_effectiveness_of_local_action_1.pdf)